United Nations S/AC.37/2003/(1455)/87

Security Council

Distr.: General
19 December 2003

Original: English

Security Council Committee established pursuant to resolution 1267 (1999) concerning Al-Qaida and the Taliban and associated individuals and entities

Note verbale dated 19 December 2003 from the Permanent Mission of Cyprus to the United Nations addressed to the Chairman of the Committee

The Permanent Representative of the Republic of Cyprus presents its compliments to the Chairman of the Security Council Committee established pursuant to resolution 1267 (1999) concerning Al-Qaida and the Taliban and associated individuals and entities, has the honour to submit the report of the Republic of Cyprus in accordance with paragraph 6 of Security Council resolution 1455 (2003) and kindly requests the latter's assistance in duly publishing the said report as a document of the Committee (see annex).

03-67278 (E) 050104

Annex to the note verbale dated 19 December 2003 from the Permanent Mission of Cyprus to the United Nations addressed to the Chairman of the Committee

Report in fulfillment of United Nations Security Council resolution 1455 (2003)

I. Introduction

1. Please provide a description of activities, if any, by Usama bin Laden, al-Qaida, the Taliban and their associates in your country, the threat they pose to the country and the region, as well as likely trends.

The Authorities of Cyprus have not identified terrorist groups or individuals who are members or associated with al-Qaida, the Taliban or Usama bin Laden.

II. Consolidated list

2. How has the 1267 Committee's List been incorporated within your legal system and your administrative structure, including the financial supervision, police immigration control, customs and consular authorities?

With a decision of the Council of Ministers, all Security Council Resolutions, including 1267, are adopted and binding for all Authorities in Cyprus which are requested to take all necessary measures, according to their functions and responsibilities.

3. Have you encountered any problems with implementation with regard to the names and identifying information as currently included in the List? If so, please describe these problems.

Yes, both on the part of the financial agencies and the police, the lack of data on nationality, date and place of birth and other information on identity makes identification difficult.

4. Have your authorities identified inside your territory any designated individuals or entities?

No.

5. Please submit to the Committee, to the extent possible, the names of individuals or entities associated with Usama bin Laden or members of the Taliban or al-Qaida that have not been included in the List, unless to do so would compromise investigations or enforcement actions.

Not applicable

6. Have any listed individuals or entities brought a lawsuit or engaged in legal proceedings against your authorities for inclusion in the List? Please specify and elaborate, as appropriate.

No.

III. Financial and economic assets freeze

9. Please describe briefly:

-The domestic legal basis to implement the asset freeze required by the resolutions above:

The Ratification Law of the International Convention for the Suppression of the Financing of Terrorism (Law No. 29(III)/2001), which was enacted on 30.11.2001, criminalizes as serious offences the financing of the terrorist acts contained in the International Conventions listed in the Annex to this Convention and provides for serious penalties: 15 years imprisonment and/or a fine of CY Pounds 1 .000.000.

With the provisions of the Ratification Law (Law No. 29(III)/2001), the offences prescribed in the Convention are considered to be predicate offences, for the purposes of the anti-money laundering legislation.

The Cyprus Financial Intelligence Unit — FIU (MOKAS) is vested, with the provisions of the same Law, the powers to analyze suspicious transactions reported by Financial Institutions in relation to financing of terrorism, conduct the necessary investigations and co-operate with its counterparts of other countries as well as with other Law Enforcement Authorities.

Consequently, Banks and other financial institutions are required to report to the appropriate Authority (FIU) their suspicions on transactions, related to the financing of terrorist acts and all relevant provisions on freezing and confiscation orders are applicable in such cases.

Furthermore, following decisions of the Council of Ministers, with the advice of the Attorney General, the Central Bank of Cyprus is enabled to carry out or order Banking Institutions to carry out administrative inquiries in order to identify and freeze terrorist assets, to implement U.N. sanctions and to enforce U.N. Security Council Resolutions.

10. Please describe any structures or mechanisms in place within your Government to identify and investigate Usama bin Laden, al-Qaida or Taliban-related financial networks, or those who provide support to them or individuals, groups, undertakings and entities associated with them within your jurisdiction. Please indicate, as appropriate, how your efforts are coordinated nationally, regionally and/or internationally.

Each Government Department has its own role in this area, however, a Coordinating Body Against Terrorism was set up by a decision of the Council of Ministers, chaired by the Deputy Attorney General and composed of representatives of the Police, the Customs Department, the Financial Intelligence Unit (FIU), and the Ministries of Justice and Public Order and Foreign Affairs

Its main task is to co-ordinate the roles and responsibilities of each Department in the area of fighting Terrorism and may suggest further measures if deemed necessary.

11. Please convey the steps banks and/or other financial institutions are required to take to locate and identify assets attributable to, or for the benefit of, Usama bin Laden or members of al-Qaida or the Taliban, or associated entities or individuals. Please describe any "due diligence" or "know your customer" requirements. Please indicate how these requirements are enforced, including the names and activities of agencies responsible for oversight.

Banks and other Financial Institutions are obliged to apply all preventive measures contained in the anti-money laundering legislation, namely, *the Prevention and Suppression of Money Laundering Activities Law*, including detailed provisions on "due diligence" and "know your customer".

12. Resolution 1455 (2003) calls on Member States to provide "a comprehensive summary of frozen assets of listed individuals and entities". Please provide a list of the assets that have been frozen in accordance with this resolution. This list should also include assets frozen pursuant to resolutions 1267(1999), 1333 (2001) and 1390 (2002). Please include, to the extent possible, in each listing the following information:

- **Identification(s) of the person or entities whose assets have been frozen;**
- **A description of the nature of the assets frozen (i.e., bank deposits, securities, business assets, precious commodities, works of art, real estate property, and other assets);**
- **The value of assets frozen.**

No assets have been identified, in Cyprus's Financial Institutions.

13.Please indicate whether you have released pursuant to resolution 1452 (2002) any funds, financial assets or economic assets that had previously been frozen as being related to Usama bin Laden or members of al-Qaida or the Taliban or associated individuals or entities. If so, please provide reasons, amounts unfrozen or released and dates.

Not applicable.

14. Pursuant to resolutions 1455 (2003), 1390(2001), 1333 (2000) and 1267 (1999), States are to ensure that no funds, financial assets or economic resources are made available, directly or indirectly, to listed individuals or entities or for their benefit, by nationals or by any persons within their territory. Please indicate the domestic legal basis, including a brief description of laws, regulations and/or procedures in place in your country to control the movements of such funds or assets to designate individuals and entities. This section should-include a description of:

- **The methodology, if any, used to inform banks and other financial institutions of the restrictions placed upon individuals or entities listed by the Committee, or who have otherwise been identified as members or associates of al-Qaida or the Taliban. This section should include an indication of the types of institutions informed and the methods used.**

Please see replies under No. 7 and 9 above.

IV. Travel ban

15. Please provide an outline of the legislative and/or administrative measures, if any, taken to implement the travel ban.

The Council of Ministers has adopted the measures included in Resolution 1267 and all other relevant Resolutions, regarding the travel ban with immediate effect. The Ministry of Foreign Affairs regularly forwards any information to all departments of the government, which are implicated. Please see answer to question 16 below.

16. Have you included the names of the listed individuals in your national "stop list" or border checkpoint list? Please briefly outline steps taken and any problems encountered.

Yes. The 1267 Committee's Consolidated List is regularly updated and is immediately upon receipt forwarded to the Chief of the Police, the Director of the

Customs Department, the Attorney General, the Director of the Central Bank, the Permanent Secretary of the Ministry of Justice and Public Order and the Director of the Central Intelligence Department, who place the various individuals on the Stop List at all points of entry into the Republic of Cyprus.

17. How often do you transmit the updated List to your border control authorities? Do you possess the capability of searching List data using electronic means at all your entry points?

The Commander of the Aliens and Immigration Authority is regularly informed about the inclusion of new persons to the 1267 Committee's Consolidated List, in order to update the Stop List.

The Director of Research and Development Department, the Director of the Central Information Service, and the Police Director of Department C, are regularly informed, in order to take all appropriate measures.

18. Have you stopped any of the listed individuals at any of your border points or while transiting your territory? If so, please provide additional information, as appropriate.

No individual on the Stop List has been found to live or transit through Cyprus.

19. Please provide an outline of the measures, if any, taken to incorporate the List in the reference database of your Consular offices. Have your visa-issuing authorities identified any visa applicant whose name appears on the List?

No.

V. Arms Embargo

20. What measures, if any do you have in place to prevent the acquisition of conventional arms and weapons of mass destruction (WMD) by Usama Bin Laden, members of al-Qaida organization and the Taliban and other individuals, groups, undertakings and entities associated with them? What kind of export control do you have in place to prevent the above targets from obtaining the items and technology necessary for weapon development and production?

Import and export controls as regards prohibitions and restrictions in force, including weapons, have been enhanced since the terrorist attack of the September 11th, by-

- strengthening the controls so that all export or transiting/ transhipped cargo is controlled through the portal monitors. According to the case, other available

equipment can be used. Moreover, through the scrutiny of relevant documentation lodged to Customs and the use of risk analysis methods, other suspect goods could be identified and thus to enable us to prevent the illicit trafficking of weapons that can not be detected by the portal monitors and other high technology equipment available.

- strengthening the controls of passengers, their luggage and personal belongings at the entry/exit points in/out of Cyprus.

On the basis of WCO Recommendation on mutual administrative assistance and other conventional commitments, any findings that may be derived either by scrutiny of documents or by examination of goods and any other control, are reported immediately to the states concerned.

Instructions were given to the District Senior Customs Officers to strengthen the controls at the points of entry/exit (ports, airports and parcel posts), specified as follows:

- Strengthen the controls on passengers' luggage and handbags checking for goods liable in prohibitions or restrictions and any item that could be dangerous for the safety of the passengers travelling by airplane.
- Frequent patrols at the customs areas of the ports and airports with random checks to the employees and the vehicles used by them.
- Closer cooperation and coordination between the Department of Customs & Excise and the other agencies involved m such controls.

All Customs officers were informed by circular letters for the necessity to be alert on the prohibitions and/or restrictions concerning:

- Countries subject to embargoes imposed by the United Nations Security Council.
- Transits/transhipments or exports of dual-use goods and other sensitive materials.

Extensive use of the available equipment for the detection of radioactive materials, the identification of dual use goods and other concealed materials.

In order to perform a more efficient control through the portal monitors installed at Limassol Port, a control plan has been created. According to the plan, all outgoing cargo, either transiting/transhipped cargo or other exported cargo is controlled through the portal monitors.

Convert the manual existing system for the recording of the results of all controls made by the available means/equipment of controls at our disposal to an electronic controlling system.

A national Risk Assessment Document has been updated in order to assist for the proper analysis of the risk involved in all areas where customs control is exercised, in which a more specific analysis has been carried out in respect of such items and controls.

Priority of training of personnel has been given to export control as well as to prohibitions and restrictions related issues. To this end, twenty Customs Officers have participated at a transhipment enforcement workshop organized in cooperation with the USA Government in Cyprus during November 2001. Further twenty officers have also been trained by specialists assigned by the EU TAIEX program, in passenger examination and interviewing techniques during the same month.

Through an electronic system the Department monitors cash movements of currency in/out of Cyprus. The Department also monitors the trafficking of other valuable and other goods that may be used for money laundering purposes and the methods used for their payment.

The Department of Customs and Excise exchanges information with other law enforcement agencies through intelligence systems such as:

- C.E.N. System (WCO)
- BALKAN INFO SYSTEM
- MARINFO SYSTEM -
- A.F.I.S.(Antifraud Information System).

The Department, through the Recommendation of the WCO for mutual administrative assistance also exchanges vital information with other Customs Administrations. Moreover, the Department is in close cooperation and regular contact with several DLO'S (Drugs Liaison Officers) and other officials stationed at their respective embassies in Cyprus and abroad.

Exploitation of information received from the Australia and Nuclear Suppliers Groups and control of dual—use goods of the AG and NSG control lists.

The Department has already sighed MOU'S with the Cyprus Police, Shipping Agents Association, DHL and Cyprus Airways. Furthermore, an MOU on mutual administrative assistance has already been signed with UK Customs whereas bilateral agreements have also been signed with the USA, Greece and Israel.

The Investigation & Narcotics Section at Customs Headquarters and the Preventive Services of Customs Stations are staffed with experienced and trained officers in investigative techniques and law enforcement methods.

As regards to the enforcement measures taken from the Department of Customs and Excise, in addition to those mentioned above, relevant information has already submitted pursuant to resolution 1373(2001) as follows:

According to the Customs and Excise legislation in force, any goods, substances or - materials including nuclear materials or substances are imported, landed, unloaded or in the course of transit contrary to any prohibition or restriction for the time being in force with respect thereto under or by virtue of any enactment or convention which binds the Republic of Cyprus, shall be liable to forfeiture. The proviso for the forfeiture of goods applies as well as to exported goods contrary to any restriction or prohibition by virtue of any enactment in force.

The Department of Customs and Excise within the framework of criminal investigations and proceedings provides assistance through the European Convention on Mutual Assistance in Criminal Matters, ratified by the Republic of Cyprus and the relevant national enabling legislation as well as through the Recommendation of the WCO on mutual administrative assistance and other conventional commitments (i.e. bilateral agreements, MOU'S).

The Cyprus Department of Customs and Excise in its effort to become more effective in its controls on movements of sensitive items besides other measures, set up in July 2002 a special anti-smuggling team (ASET) based in Limassol port with the following main objectives-

- The establishment of effective customs controls over cargo transiting the free port of Limassol to prevent its use for smuggling and terrorist activities.
- Anti-terrorist and anti-smuggling actions on all inbound and outbound cargo, vessels and passenger ships calling at Limassol port.
- The detection of materials (nuclear, chemical, biological) that can be used in the manufacture of weapons of mass destruction.

ASET is assigned with the following duties:

- Define the transit cargo universe and its risks:
    1. Complete ships inventory — List Ships calling at Limassol with their routes, inbound and outbound.
    2. Compile manifest data — Implement procedures of obtain manifest data for each arriving vessel. Compile data on consignees, merchandise type, etc.
    3. Identify the potential WMD/Smuggling risks within this universe.

- Relevant controls and search of vessels, cargoes and cars based on risk analysis i.e. review of manifests to detect potential enforcement risks, compare manifest data received to international standards.
- Identification and determination of potential risks on commercial consignment.

- Investigative duties.
- Cooperation with the investigators of the Investigation Section and officers of the Intelligence Unit as well as foreign law enforcement authorities.
- Establish outreach program with the trade.
- Prepare threat assessment for other areas of operation, i.e. cruise ships processing, clearances at old Limassol port, etc.

23. Do you have any safeguards that the weapons and ammunition produced within your country will not be diverted-used by Usama bin Laden, members of Al-Qaida organization and the Taliban and other individuals, groups, undertakings and entities associated?

Cyprus is not an arms producing country and does not export arms.